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AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING,
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COOPERATIVE SALES PER FARM

More farmers sold their products through cooperative associations in 1924 than in 1919 and a greater quantity of farm products was so sold in the latter year than in the former, but the average amount sold per farm was only a little larger in 1924 than it was in 1919, taking the country as a whole. This was probably because of the large number of farmers interested in cooperative activity for the first time during the period between 1919 and 1924, the years of the agricultural censuses.

The number of farmers selling cooperatively increased 73 per cent from 1919 to 1924, according to census data, and total sales increased nearly 20 per cent. In all except seven states, New Jersey, Delaware, Michigan, North Dakota, South Dakota, Nebraska, and Kansas, the number of farms from which products were sold cooperatively was larger in 1924 than in 1919.

The figures representing average sales per farm seem to indicate that in most states a larger quantity of farm products was sold cooperatively in 1919 than in 1924. This is because of the high price level in 1919 for most farm products. In that year a dollar represented a much smaller quantity of products than it did in 1924. When the 1919 and 1924 dollars are both reduced to a pre-war basis it is noted that the average sales per farm for the entire United States were 7 per cent greater in 1924 than in 1919.

The sales per farm, as reported by the census enumerators for the two years, for 15 key cooperative states, are given below. Were these figures reduced to a common basis to eliminate differences in price levels for the two years, the showing would be much more favorable to 1924.

State	Average sales per farm		State	Average per farm	
	1919	1924		1919	1924
Connecticut	\$1,741	\$2,850	Florida	\$3,180	\$1,690
New York	1,911	1,427	Kentucky	695	512
Michigan	577	505	Mississippi	265	757
Illinois	1,933	1,004	Texas	1,785	1,318
Minnesota	1,057	917	Colorado	1,591	1,948
Iowa	1,370	1,119	California	4,966	2,691
Kansas	1,316	1,188	Washington	2,751	1,557
North Carolina	780	587			

ALBERTA WHEAT POOL ANALYZES DEDUCTIONS

An analysis of the payments and deductions made by the Alberta Cooperative Wheat Producers, Ltd., Calgary, Alta., in connection with the 1926-27 pool, shows that the Pool received \$1.42 a bushel for No.1 Northern wheat, basis Vancouver. From this was deducted two cents per bushel for the elevator reserve and one and one-half cents to cover commercial reserve and all expenses of administration and operation. This left the net total price of \$1.38½ to members of the Pool.

The two cents per bushel deducted for the elevator reserve is credited to the members and is considered as an investment rather than an expense. This reserve is for the sole purpose of acquiring elevators, in the ownership of which each member is a partner. Interest is paid on this fund at the rate of 6 per cent. The total amount of the elevator reserve fund, including the deductions from the 1926-27 pool, as reported by the management, is \$2,231,131. This money has been used to pay for the 157 elevators now owned by the subsidiary company, the Alberta Pool Elevators, Ltd., and for a share in the terminal elevators at the head of the Great Lakes.

Net expenses of operation and administration totaled nine-twentieths of one cent per bushel, and one and one-twentieth cents was retained for the commercial reserve. This fund, in common with the elevator reserve fund, is credited to the members in proportion to the amount of wheat delivered by each. However, no interest is paid on this reserve which can be used for any of the purposes of the association. The commercial reserve now amounts to \$889,633.

The management reports that satisfactory progress was made during the year. There was a considerable increase in membership and rapid progress was made in the acquisition of country elevators. Forty-two were used for the 1926-27 pool and the total number now is 157. The 42 country elevators operated by the pool for the 1926-27 season handled 5,376,758 bushels of grain, an average of 128,018 bushels per elevator. The most active elevator handled 275,658 bushels. Four other elevators handled over 200,000 bushels each.

The government terminal elevator at Prince Rupert was operated, a terminal at Vancouver was leased, and a start was made toward the erection of a terminal elevator of 2,400,000 bushels at Vancouver. Through the ownership and operation of terminal and country elevators a saving was effected of three-quarters of one cent per bushel on all wheat handled in the 1926-27 pool.

A grain grading service department is maintained at Calgary, Edmonton, Winnipeg and Vancouver. During the 1926 season the Pool's representatives called re-inspections and surveys on over 1,720 cars at Vancouver, Winnipeg and Calgary. Of this number they were successful in obtaining raises in grades or dockage on over 575 cars. The Edmonton office appealed on over 728 cars with the result that 240 were raised.

ONTARIO GRAIN POOL PAYING FARM STORAGE

The Ontario Grain Pool, a branch of the United Farmers' Cooperative Co., Ltd., Toronto, Can., is offering to pay farmers one cent a bushel per month for storing wheat on their farms. This move is an effort to persuade some of the growers to hold back their grain in order that there may be a steady supply for Ontario mills for a longer period each year. Under the old system of marketing, much Ontario wheat was exported and later in the season the Ontario mills were idle because there was no wheat to grind. On wheat delivered in November, the Pool will pay growers one cent per bushel, and on wheat held till December, two cents storage will be paid with a possibility of another cent for longer storage.

At the present time the Ontario Grain Pool has 9,350 members. When winter sets in another brief campaign is to be conducted to bring the total over the ten thousand mark.

KANSAS ASSOCIATION INCREASES BUSINESS

Nearly two thousand cars of farm produce have been marketed by the members of the Saint Francis Mercantile Equity Exchange, Saint Francis, Kans., through their organization during the past five years.

The members have also purchased through the organization 511 car loads of farm supplies. The sales have included 1,428 cars of grain, 529 cars of livestock and 5 cars of hay, and the purchases have included farm supplies as follows: coal, 166 cars; lumber, 144 cars; cement, 38; posts, 34; flour and feed, 26; brick and tile, 22; salt, 19; implements, 16; fruits and vegetables, 15; wire, 13; oil, 6; twine, 3; miscellaneous, 9.

During the five years the total of the sales and purchases amounted to \$3,367,600. Net earnings for the several years varied from \$10,000 to more than \$38,000.

The growth of the organization is indicated by the figures given below:

Year	Cars shipped			Supplies purchased	Total cars handled	Net earnings
	Grain	Livestock	Total			
				(Cars)		
1922	207	109	316	69	385	\$ 21,163
1923	237	104	341	111	452	22,941
1924	265	101	366	80	446	10,712
1925	*320	116	436	111	547	34,329
1926	404	99	503	140	643	38,155

* Including 5 cars of hay.

This association was formed in 1913 by 60 farmers. Its membership is now 338.

LOCAL GRAIN MARKETING COMPANY IN ILLINOIS

Sales by the Pontiac Farmers' Grain Company, Pontiac, Ill., for the year ending June 30, 1927, amounted to \$390,545. Approximately 70 per cent of the receipts came from the sale of corn and about 20 per cent from the sale of oats. A small quantity of wheat was handled, also some coal and a few potatoes. Gross earnings for the year were \$23,878 and net earnings \$2,649. This association has 350 shareholders who have an investment of \$28,554. Approximately 600 farmers are served by the organization which is now in its 21st year of activity.

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PATRONAGE REFUND FOR KANSAS ELEVATOR MEMBERS

With less than \$15,000 of capital the Anthony Farmers' Cooperative Elevator Company, Anthony, Kansas, transacted business amounting to \$365,965, during the business year ending March 21, 1927.

Wheat was the principal product marketed, 106,281 bushels being handled for shareholders and 144,742 bushels for nonshareholders. The average price paid producers for the year was \$1.21 per bushel.

Merchandise sales amounted to \$17,948 and coal sales to \$19,160.

Expense of operation for the year was \$8,002 and net earnings, \$5,303. Cost of doing business is reported as 2½ per cent of gross sales. Interest was paid on capital to the amount of \$600, and 3 cents a bushel was refunded to shareholders.

This association was formed in 1919 and is serving about 150 wheat growers.

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PERMANENT FIELD MAN FOR SOFT WHEAT POOL

A permanent field man has been added to the administrative staff of the Central States Soft Wheat Growers' Association, Indianapolis, Ind. His work will begin with the organization of pool committees among the members around all delivery points. Chief among the duties of these committees will be the handling of disputes between farmers and elevator men as to grades and weights of wheat. These committees will be charged also with the responsibility of making such arrangements as are necessary for local handling of pool grain. The management is convinced that placing the local work in the hands of committees of members will result in making the membership more nearly an integral part of the pooling organization and in giving the members an opportunity to share in the responsibility that rests upon officers and directors.

In order to keep local committees fully advised regarding details of operation a weekly information service is to be established and committee men are expected to pass the information on to others.

RICE ASSOCIATION PLANS TO ENFORCE EVERY CONTRACT

Rigid enforcement of the new contract is decreed by the Arkansas Rice Growers' Cooperative Association, Stuttgart, Ark. The ten-year agreement under which the association begins operating this year is very definite regarding the rights of the association to rice signed, and the association is planning to enforce every contract without fear or favor. It proposes to file suits against any or all reported cases of members selling rice outside the association and to prosecute such suits vigorously. Members are urged to report "anything that looks like an attempted violation of the contract."

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FINAL PAYMENT TO VIRGINIA-CAROLINA PEANUT GROWERS

Checks in final settlement of the 1926 pools of the Peanut Growers' Association, Norfolk, Va., have been delivered to the grower-members. Part of the checks were distributed at county meetings and part were sent by mail. Deliveries of 1926 peanuts to the association totaled 13,810,147 pounds, including Virginia, Spanish and Valencia varieties. These peanuts were handled in 16 variety and grade pools. Net sales were \$739,565, or 5.36 cents a pound. Expenses of marketing amounted to 1.25 cents a pound, and growers were paid from 1 cent to 5.5 cents a pound according to kind and quality of peanuts delivered. Total payments to growers amounted to \$549,370, which was approximately 74 per cent of net sales. In addition to cash payments the growers were credited with 10 cents a bag deducted for the building fund. This fund is being used for the construction of a warehouse which will belong to the growers and will have storage space for 45,000 bags of peanuts.

The largest item of operating expense was \$68,908 for milling. Other large items were freight and drayage, \$29,824; salaries, \$15,740; field service, \$12,002; brokerage, \$11,470; commissions of receivers, \$10,566.

A detailed statement has been furnished to members, showing the various items of expense, what they amount to per pound, and what per cent they are of the net sales.

In his annual report the general manager states that the association handled 140,000 bags of peanuts of the 1925 crop at a cost of \$1.26 per hundred pounds, and 160,000 bags of the 1926 crop at \$1.25 per hundred pounds. He further says: "We are constantly building up good will with the users of peanuts throughout the country and we are building a reputation for packing and shipping good quality peanuts."

REFUND FOR PRUNE AND APRICOT GROWERS

Approximately 4,500 members of the California Prune and Apricot Growers' Association, San Jose, Calif., were recently repaid funds deducted from returns several years ago for working capital. This payment, which is the fifth annual refund of sums deducted for working capital, consisted of the original deduction, \$139,784, and interest of \$29,355.

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BY-PRODUCTS OF CALIFORNIA CITRUS FRUIT

Cull citrus fruit, which formerly cost the growers from \$1.25 to \$2.00 per ton to dump, is now manufactured into by-products by subsidiary organizations of the California Fruit Growers' Exchange, Los Angeles, and brings returns to the producers. Many years of research were required to determine the correct processes of salvaging the unmerchantable fruit. The Exchange Orange Products Company is using cull oranges for concentrated orange juice, orange oil and dairy feed; and lemons are made into citric acid, citrate of lime, lemon oil and citrus pectin, by the Lemon Products Company. The demand for these products and distributing channels are being developed every year.

The withdrawal of this lower grade fruit from the fresh fruit market is also of far-reaching importance in preventing losses and in maintaining the quality reputation of California citrus fruit.

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MELON ASSOCIATION PLANNING TO HANDLE TRACK SALES

The Sowega Melon Growers' Association, Adel, Ga., is planning to handle all its local track sales next season. This is considered a progressive step and is expected to be very beneficial to the association which has its field men throughout the territory and is thus in a favorable position to handle the track sales at a low cost per car.

During the past season 525 new members were received into the association, making the total membership at this time about 2,800.

Fourteen district managers were kept in the field during the shipping season. The cost per car for this service was \$7.69. Central office expense amounted to \$5.21 per car for the season.

Melon seed grown by the association for next season's planting is now thoroughly cured and in storage. Although a much larger acreage was planted the yield was small due to the drouth, and only about 4,000 pounds of seed was saved and prices are expected to be somewhat higher than heretofore. No orders will be accepted, filed or filled until January 1, as usual, and no seed will be sold to nonmembers until all members have been supplied.

LIVESTOCK SHIPPING ASSOCIATIONS OF INDIANA

Indiana has four types of cooperative livestock shipping associations, according to information published by the Indiana Farm Bureau Federation. There are county associations where all the livestock to be shipped is concentrated at a central point; county unit associations with a single management but making shipments from several points; local shipping associations operating independently; and county federations of local associations. These federations handle problems common to all the member units. A fifth type is developing, namely, a form of organization to serve producers located within trucking distance of an active market.

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SALES AGENCY ESTABLISHES A SUBSIDIARY

In an effort to improve the conditions incident to the marketing of sheep at Indianapolis, the directors of the Producers' Commission Association have created a subsidiary, the Indianapolis Stocker and Feeder Company. This is a company formed under the regular corporation laws of the state and its charter gives it authority to buy and sell all farm commodities. It is licensed under the packers and stockyards act as a buying and selling organization.

The shareholders in the company are the members of the board of directors of the Producers' Commission Association, who also constitute the board of directors of the company. According to the plan, the primary function of the company will be to buy livestock that does not sell readily and resell when this can be done to advantage.

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COOPERATIVE LIVESTOCK SELLING AT CINCINNATI

A report issued recently by the manager of the Producers' Cooperative Commission Association, Cincinnati, Ohio, indicates an increase in the volume of business handled by this sales agency. The organization began business February 10, 1925. The first year it handled 8,378 cattle, 17,742 calves, 121,069 hogs, and 17,821 sheep, a total of 165,010 animals. Sales for the 10½ months of 1925 amounted to \$4,160,237. During 1926, the first full year of operation the agency handled 15,154 cattle, 21,001 calves, 153,377 hogs, 23,709 sheep, making a total of 218,241 animals. Total sales were more than \$6,000,000.

For the first eight months of the current year 168,067 animals were handled. The manager states that this cooperative agency handled 10.6 per cent of the animals received at the Cincinnati market in 1925, 14.8 per cent in 1926, and 15.2 per cent for the first eight months of 1927.

WOOL ASSOCIATION SETTLES FOR EARLY POOL

Combing wools of the medium and fine grades brought members of the Pacific Cooperative Wool Growers, Portland, Oreg., an average price of 36½ cents per pound, net at the ranch, in the final settlement on wools from Western Oregon and Western Washington delivered before August 1, as reported by the management of the association. More than half the wool in the pool went into those grades. An advance of 20 cents was made at time of delivery to all growers who requested it.

Each check for final settlement was accompanied by a detailed statement showing how every pound of the grower's wool graded, the gross price at which each line sold, and the actual expenses of handling the wool.

More than six hundred new members have joined the association so far in 1927 and it is stated that the association is handling a much larger quantity of wool and mohair than last year.

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SOUTHERN CALIFORNIA POULTRYMEN BUY SUPPLIES COOPERATIVELY

A large plant to serve the needs of the Poultry Producers of Southern California, Inc. and the Poultrymen's Cooperative Milling Association, was completed in Los Angeles, early in the current year. The Poultry Producers' Association is engaged in marketing eggs and the Milling Company is engaged in supplying the poultrymen with feed and other requirements.

The milling association was formed in 1912. Its growth during the last few years has been rapid as will be noted by the following figures recently published:

Year	Tonnage handled	Amount of business	Shareholders	Shares
	(Tons)		(Number)	(Number)
1924	20,083	\$1,104,911	---	-----
1925	30,127	1,581,017	*203	10,282
1926	39,125	1,893,890	*342	11,492
1927	-----	-----	*620	18,724

* As of January 15.

The new plant which is the fifth in the history of the milling association is upon a tract of ground 177 feet wide by 700 feet long. There is track space sufficient for loading or unloading 15 cars at the same time.

At the close of its last business year the milling association's fixed assets were valued at \$225,422 and the net worth was \$257,580.

LAND O'LAKES REDUCES DUES OF MEMBER CREAMERIES

Member units of the Land O'Lakes Creameries, Inc., Minneapolis, Minn., have been advised that dues to the central organization will be reduced from approximately 27 cents per hundred pounds of butter made, to 17 cents, effective January 1, 1928. When the federation was first organized dues from the member creameries were placed at one-eighth of one cent a pound on all butter shipped and one-fourth of one cent a pound on all butterfat received. These dues were equivalent to about 35 cents per hundred pounds on butter made. A few years later when the volume of business had reached considerable proportions, the dues were reduced to approximately 27 cents per hundred pounds.

A portion of these dues is turned over to the district associations for meeting expenses connected with the service work carried on with the creameries in the various districts.

In the beginning, the federation was engaged largely in educational and field service work. As the organization proved its usefulness, departments were developed. The first of these was the creamery machinery and supply department, organized for the purpose of purchasing collectively the machinery and supplies required by the member creameries. This department early justified its existence. More than \$300,000 has so far been refunded to patrons on purchases made.

As soon as sufficient working capital was accumulated the board of directors created a butter marketing department, and when this feature of the work was on a self supporting basis, other departments were established until now the organization is functioning through many departments, each standing on its own feet. Among the departments now operating are: butter sales department, city sales, cheese, liquid cream, frozen cream, milk fat, buttermilk powder, and several others which have been started in a small way.

One of the activities of the organization which is paid for out of the dues is the publication and distribution of the Land O'Lakes News, which is sent to the 80,000 patrons of member creameries and serves to keep them informed as to the different phases of work being conducted.

In commenting upon the accomplishments of the organization the management recently gave expression to the following:

We would not have a quotation of from 4 cents to 5 cents per pound more on fancy butter as compared with centralized and ordinary butter if it were not for the work that has been done by the Land O'Lakes creameries during the last five or six years. The most gratifying feature of the whole program is the fact that we have paid the bill ourselves.

We have asked no quarter from anyone. We have conducted our business on as solid a financial basis as any business institution and the farmers of the Northwest can be proud of their accomplishment.

FOUR YEARS OF COOPERATIVE COTTON MARKETING IN LOUISIANA

Revised figures covering the activities of the Louisiana Farm Bureau Cotton Growers' Association have been included in a recently published folder entitled, "Four Years." This folder "presents an account of the activities" of the association "from the beginning of its operations to date." It is stated that the association "was brought into corporate existence by the cotton farmers of Louisiana on February 24, 1923." The association "is a non-profit, non-capital stock organization, democratically owned and operated by and for its members. Its policies are outlined by a board of eighteen directors who "elect the officers, fix the basis of their compensation and instruct them in the general conduct of the association."

During the four years of its existence the association has marketed approximately 163,000 bales of cotton, with net returns of more than \$16,000,000.

Below are given revised figures for the number of bales received, net sales, average net prices per pound, and number of bales of cotton delivered by the directors, for each of the four years:

Marketing season	Bales received	Net sales	Average net sales price per pound	Bales delivered by directors
	(Number)		(Cents)	(Number)
1923-24	29,890	\$4,285,025	28.36	1,223
1924-25	26,537	3,184,605	23.79	1,620
1925-26	51,193	4,332,783	17.39	3,013
1926-27	55,344	3,882,577	13.79	2,339

At the close of the year the association had a reserve of \$125,000 which constitutes its working capital. This reserve is accumulated by a deduction of one per cent on returns for cotton sold. The deduction for the first year of activity has been returned to the growers with 5 per cent interest. This refund amounted to \$42,850 plus \$2,245 interest.

The association has been able to collect about \$50,000 for its members which they would not have received had they been marketing cotton as individuals rather than an association. More than \$27,000 was derived during the four years from the sale of loose cotton, more than \$21,800 was collected from the railroads on overcharges, and \$1,300 was collected as damage claims.

(See Agricultural Cooperation for July 23, 1927, page 279.)

QUEBEC FARMERS BUY AND SELL COOPERATIVELY

During the 16 years beginning with 1909, 377 cooperative agricultural societies were formed in the Province of Quebec, according to an official report. The year of greatest activity was 1917 when 52 societies were formed, followed by 42 in 1918. The number formed each year was as follows:

Year	Number of societies formed	Year	Number of societies formed
1909	2	1918	42
1910	7	1919	27
1911	15	1920	16
1912	16	1921	10
1913	37	1922	11
1914	34	1923	12
1915	36	1924	10
1916	30	1925	20
1917	52	Total	377

About one hundred of these cooperatives have disappeared, due to voluntary dissolution, lack of funds, or absorption by other societies, leaving about 250 in active operation. These were reported to have 15,510 members in 1925, and paid-up capital of \$389,406. Total receipts for 1925 aggregated \$11,339,688, and solvency was said to be \$946,230. Figures showing the status of these cooperatives since 1919 are given below:

Year	Number of members	Paid-up capital	Total receipts	Solvency
1918	14,014	\$129,501	\$ 7,155,136	\$487,057
1919	24,193	217,265	10,644,701	658,750
1920	26,227	298,322	12,134,802	871,075
1921	27,507	350,758	10,117,804	695,627
1922	28,550	443,804	8,025,675	541,635
1923	25,195	445,023	9,247,011	872,110
1924	23,805	385,272	9,444,041	759,873
1925	15,510	389,406	11,339,688	946,230

The Federated Cooperative of Quebec acts as an intermediary for these local groups, assisting them in the purchase of fertilizers, seeds, agricultural implements, insecticides, fencing, and binder twine, also in the sale of cattle on the hoof and slaughtered, butter, cheese, eggs and poultry, honey, maple sugar and syrup, hay, and grain.

COOPERATIVE PURCHASING IN IDAHO

The Kootenai Valley Produce Co., Ltd., Bonners Ferry, Idaho, was organized in 1913 to sell the farm products of the surrounding territory. Because of insurmountable marketing difficulties the facilities of the association have been used for collective purchasing of groceries, flour, feed, hay and grain. The products are sold at the market prices and patronage refunds made at the close of each year.

Activities for the last five years have been as follows:

Year	Shares outstanding (Number)	Sales	Expenses	Net earnings
1922	1,610	\$131,615	\$10,991	\$6,808
1923	1,303	136,665	14,637	7,156
1924	949	129,749	15,006	7,316
1925	939	131,926	14,705	5,543
1926	2,029	128,057	14,775	2,856

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PATRONAGE DIVIDENDS BY MISSOURI ASSOCIATIONS

Patronage dividends amounting to many thousands of dollars are to be paid to the farmers who have used the facilities of the various marketing agencies created by the Missouri Farmers' Association. These agencies include sales offices in the terminal markets, egg and poultry packing plants in the producing sections, large-scale purchasing associations, and local exchanges. It is stated by the management of the Missouri Farmers Association that three-quarters of a million dollars was paid to farmers at the close of 1926 by these marketing enterprises.

During the year ending August 15, 1927, the Association was instrumental in the formation of eight new exchanges, five livestock shipping associations, and also assisted in the organization of four local creameries.

The income of the Association for the year was \$74,779. Of this amount, \$55,927 came from brokerage and commissions on transactions for members, and \$18,572 came from membership dues. Other income amounted to \$280.

Deductions and expenses for the year were \$62,429 including the following: field men, \$20,400; administration, \$17,975; directors, \$4,639; salesmen, \$4,330; auditors, \$3,940. The net income was \$12,350.

The contract account showed assets of \$483,627, including Liberty Bonds for \$128,800. This is a special account for the payments and pledges made by members signing the marketing agreement, each agreement representing \$10. The entire account is being kept intact until the required number of contracts have been signed.

ALLEGED INCORRECT ACCOUNTING CAUSE OF REVERSAL

On September 9, 1927, the Supreme Court of Georgia decided the case of Brown v. Georgia Cotton Growers' Cooperative Association, 139 S. E. 417. The association brought suit against Brown for the purpose of compelling him to specifically perform his contract and for an injunction to prevent him from disposing of his cotton outside the association and for attorneys' fees as provided in the contract.

The defendant filed a demurrer to the petition of the association which was overruled and also filed an answer thereto. The association demurred to certain portions of the answer of the defendant, which demurrers were sustained, thus eliminating those portions of the answer.

On the trial of the case a verdict was rendered in favor of the association for "three bales of cotton and \$50 as attorneys' fees." Defendant's motion for a new trial was overruled and he excepted, and he also assigned error on exceptions pendente lite to the rulings of the trial court on his demurrer to the petition. Defendant claimed that the contract of the association was void because of indefiniteness with respect to the sale price to be paid by the association to the defendant for his cotton. This indefiniteness it was claimed was created by language in the contract which defendant averred gave the association a discretion "as to whether it would deduct the cost of handling, grading and marketing cotton." The court held that, if the language in the contract meant what defendant claimed it did, it would vitiate the contract, but found that the association had no such discretion, and that the contract provided a means whereby the sale price could be ascertained.

Defendant in his answer alleged "that plaintiff is making no effort whatever to enforce its alleged contracts with many of the members of plaintiff's organization, but is seeking to enforce said contracts only against a few of its members." This part of defendant's answer was stricken on demurrer on the ground that it "was immaterial and irrelevant, and sets up no matter in defense of the contract." The Supreme Court held that this was error. In doing so the Supreme Court called attention to certain portions of the petition of the association, and among others, the following:

Failure to perform said agreement on the part of growers and producers, and failure to deliver cotton to plaintiff in accordance to the terms of said agreement, will defeat and destroy the purposes for which plaintiff was formed.... The successful operation of plaintiff under said agreement is wholly dependent upon the performance of the terms thereof by all plaintiff's members.

In this connection attention is called to the fact that the Supreme Court of Mississippi, in the case of Staple Cotton Cooperative Association v. J. S. Borodofsky, 108 So. 802, held that the release by the board of directors of the association of certain members and directors from delivering their cotton to the association released the defendant from his marketing contract. There is an intimation along the same line in the opinion of the Supreme Court of California in the case of California Bean Growers Association v. Rindge Land and Nav. Company, 248 P. 659.

The trial court sustained the demurrer to certain parts of the answer of defendant relative to an item reading "other expenses net \$276,596.82," which the association included in accounting to its members for the year ending July 31, 1924. It was apparently the contention of the defendant that the disbursements made by the association covered by this heading were not authorized by the contract. The Supreme Court with reference to the allegations in question of the answer said:

In substance the answer alleges, as a reason for refusing to perform the contract, that the plaintiff had committed a fraud, in that in making its accounts after correctly charging for interest, insurance, compress and warehouse charges, amounting to \$251,996.89, it made another charge under the general head, 'other expenses, net,' the sum of \$276,596.82, which were 'for services alleged to have been performed which were not performed.' In the light of these specific allegations, the allegations that were stricken, construed together and in connection with the whole of paragraphs seven and nine of the answer, were not mere conclusions of the pleader or vague, but sufficiently alleged fraud showing such violation of the contract as would authorize the defendant to repudiate the contract and recover the item of \$12.73 alleged to have been improperly charged against him.

The Supreme Court held that the trial court erred in sustaining the demurrer to the allegations in question of the answer of defendant. In view of the foregoing, the Supreme Court reversed the decision of the trial court.

L. S. Hulbert.

TRAINING SCHOOL FOR COOPERATIVE EMPLOYEES

On October 31, the Northern States Cooperative League, Minneapolis, Minn., opened its fifth training school for employees of cooperative enterprises, in the auditorium of the Franklin Creamery Company. The school, which is to be conducted in the English language, is to continue for six weeks with seven class periods of 50 minutes every week day. Courses offered include: Principles, aims and methods of consumers' cooperation; history of cooperation; principles of cooperative management; administration and management of cooperative stores; book-keeping and accounting; and business correspondence.

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NEW ENGLAND PLANNING FOR INSTITUTE OF COOPERATION

A copy of a constitution for a New England Institute of Cooperation, has been prepared. The purpose of the organization is stated to be "to facilitate the conduct of an Institute of Cooperation annually somewhere in New England and to otherwise promote the best interests of cooperative marketing and purchasing." Individuals and organizations eligible to membership shall include the agricultural colleges of the New England States, any other colleges in New England, the commissions or commissioners of agriculture in each of the New England States, or the state bureaus of marketing in these states, or any farmers' cooperative purchasing or marketing association in New England. There will be no membership fees but each member organization will be expected to contribute of its time and personnel to the successful conduct of the annual institutes.

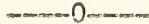
Plans provide for an executive committee with one representative from each of the six states. This committee shall elect its own chairman and secretary. It shall be the function of the executive committee to determine the time and place for the annual institute for each year and in general to facilitate the progress of cooperative marketing and purchasing.

Provision is also made for one standing committee to be known as the Annual Institute Committee, to consist of a chairman who shall be named by the president of the institution where the annual institute is to be held; a representative of the U. S. Department of Agriculture, to be named by the Chief of the Bureau of Agricultural Economics; two representatives of farmers' cooperative organizations within the state where the host institution is located. The representative for that state on the executive committee and the chairman of the executive committee shall be ex-officio members of this committee.

This Annual Institute Committee and the host institution shall be responsible for the conduct of the annual Institute of Cooperation and for the issue of such reports thereof as they may see fit.

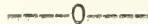
GRAIN POOL OPERATES CIRCULATING LIBRARY

Members of the Manitoba Cooperative Wheat Producers, Ltd., are being urged to inform themselves in regard to the purposes and aims of cooperation. The management of the association has established a library covering the subject and has worked out a plan for lending the books to members. A catalogue has been issued that patrons of the library may see exactly what is available, and the volumes are mailed out on request with a label and postage for their return.



THREE SCHOOLS OF COOPERATIVE MARKETING FOR THE SOUTH

Plans are being made for three schools of cooperative marketing to be held in the South early in 1928. The first will be held at Jackson, Tenn., January 18, 19 and 20, under the auspices of the College of Agriculture, the University of Tennessee, the cooperative associations of the state, and the Division of Cooperative Marketing of the U. S. Department of Agriculture. On January 23, 24 and 25, the second school will be conducted at Little Rock, Ark., by the College of Agriculture, the University of Arkansas, the various cooperative associations of the state, and the Division of Cooperative Marketing. Arrangements for the third school are not yet completed but it is to be held at College Station, Texas, sometime in March or April.



MISSOURI EXTENSION SERVICE PLANS THREE SHORT COURSES

Instead of holding a three-day short course in cooperative marketing at Columbia this year, The Extension Service of the Missouri College of Agriculture is planning to hold three two-day courses at points near the central markets, in order to make use of the extensive laboratory facilities provided by such locations. A tentative program has been prepared for a livestock marketing school of two days each at Kansas City and St. Louis, during November, for the benefit of officers, directors and managers of associations handling livestock. The addresses are planned to cover as many as possible of the problems involved in marketing livestock. In addition to this, trips are to be made to the stockyards and packing plants to observe conditions and practices. There will be an opportunity to study market classes and grades of stocker and feeder cattle and also fat cattle on the yards, with current prices for both. The sheep market and hog market will also be visited and inspected from a practical standpoint. At a packing plant various grades of carcasses of sheep and cattle will be inspected, also government stamped U. S. prime beef, and carcasses of different grades cut up to show the difference in texture and covering of the meat.

The third school is to be held during the winter at Springfield, for officers, directors and managers of associations handling fruit.

DUPLICATE COPIES OF HOUSE ORGANS AVAILABLE

Many duplicate copies of the house organs issued by the cooperative associations are available, through the Division of Cooperative Marketing, for completing files being maintained by libraries and individuals doing research work in the field of cooperative marketing. It is suggested that those whose files are incomplete advise this division as to the names and dates of the publications desired. Address communications to the Division of Cooperative Marketing, Bureau of Agricultural Economics, Department of Agriculture, Washington, D. C.

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COST OF OPERATION OF GROUP OF FARMERS' ELEVATORS

A recent preliminary report, entitled "Analysis of Expenses, Incomes and Margins of Farmers' Elevators in the Spring Wheat Area in 1925-26," continues the study of a group of elevators over a period of years, which study was begun in 1925. This report is Part 1 of the Series of 1925-26. It covers data on expense of operation for the season under observation for 54 elevators, 25 of which were used in the analysis made the previous year. Information concerning total and itemized expenses and volume of grain handled were secured and analyzed. Many tables are presented and numerous charts have been prepared to make clear the more important facts determined by the study. Copies may be procured from the Division of Cooperative Marketing, U. S. Department of Agriculture, Washington, D. C.

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NORTHERN STATES LEAGUE ISSUES THIRD YEARBOOK

The Northern States Cooperative League, Minneapolis, Minn., has recently issued its third yearbook, an attractive booklet of 189 pages, profusely illustrated. It contains the report of the proceedings of the Sixth Annual Convention of the League, held in Minneapolis, July 17 and 18, 1927, the annual reports of officers of the organization, a summary of the work of the constituent societies for the year, condensed reports from a number of such societies, and a number of signed articles discussing various phases of cooperation. Three of the largest member societies, the Franklin Cooperative Creamery Association, Minneapolis; the New Era Life Association, Grand Rapids, Michigan; and the Cooperative Central Exchange, Superior, Wisconsin; present more detailed reports of their activities, giving statistical tables and much information regarding the lines of effort carried on by each.

REPORTED BY THE ASSOCIATIONS

At the close of its 21st year of existence the management of the Mutual Orange Distributors, Redlands, Calif., announces that it has a membership of 40 local units serving approximately 3,000 individual citrus growers.

The status of the Kansas City livestock market is now broadcast every day at noon by the Producers' Commission Association of that city, through a station at Independence, Mo.

Four hundred eighty milk wagons in Minneapolis are now marked with the trade-mark of the Twin City Milk Producers' Association, which, in addition to the name of the association bears the words "A guarantee of purity." This is a very large percentage of the milk wagons of the city.

One hundred dairy farmers are to be admitted to membership in the Cooperative Pure Milk Association, Cincinnati, Ohio, the board of directors of the organization having decided that the association is in position to serve that many producers in addition to its present membership.

Reserves for credit will not be deducted from returns to members by the Mississippi Farm Bureau Cotton Association after July 31, 1928, according to recent action by the board of directors of the organization. A one per cent reserve has been deducted heretofore for working capital.

Eighteen motor trucks are used by the Dairymen's League Cooperative Association, Inc., New York City, in delivering milk to the patrons served from its Newark, N. J., plant. These trucks cover an area with a radius of 50 miles and transport about 600 tons a day. Two crews of drivers are required as the trucks are in service both day and night.

Ten associations for receiving and shipping cream, eggs and poultry were recently organized at various points in Illinois under the auspices of the Illinois Agricultural Association. The purpose of these associations is to bring about an improvement in the quality of products offered for sale and to evolve more efficient methods of distributing the products to the consumers.

The third International Cooperative Wheat Pool Conference is to be held in Regina, Canada, June, 6, 7 and 8, 1928. The first conference was held at St. Paul, Minn., in February of 1926, and the second conference at Kansas City, Mo., in May of 1927. Both the first and second conferences were attended by representatives of the cooperative grain marketing associations of Canada, Australia, Russia, and the United States.

SELECTED LIST OF PUBLICATIONS AND ARTICLES

- Alfred, C. E. A Discussion of Marketing Systems. Seald-Sweet Chronicle, Tampa, Fla., October 15, 1927, p. 9.
- Blanchard, J. F. Theory and Practice of Cooperative Marketing. Scoop Shovel, Winnipeg, Canada, October, 1927, p. 4.
- Cooperative Marketing Journal, Memphis, Tenn., October, 1927. Contents: Daggit, E. M. Possibilities of a Research Department for Wheat Cooperatives; Ness, Peter. A Great Cause; Norton, L. J. A Centralized Cooperative Should Not Be A Graveyard for Defunct Locals; Montgomery, R. H. Ephraim Feedeth on Wind; Jones, J. W. Some Causes of Membership Problems in the South; Hood, Robin, Liberalizing the Members' Contract.
- Financing Canadian Pools: Concluding the Story of the World's Largest Cooperative. Prairie Farmer, Chicago, Ill., October 22, 1927, p. 23.
- Guyson, Peter. Seattle Milk Shippers' Association. Hoard's Dairyman, Fort Atkinson, Wis., October 25, 1927, p. 992.
- Highlen, Lee R. Cooperative Marketing of Livestock. Hoosier Farmer, Indianapolis, Ind., October 15, 1927, p. 2.
- Henry Krumrey, Pioneer Co-operator. Editorial. Hoard's Dairyman, Fort Atkinson, Wis., October 25, 1927, p. 998.
- Hood, Samuel C. Some Cooperative Suggestions: Reasons for Failure and Needs for Success. New England Homestead, Springfield, Mass., October 29, 1927, p. 3.
- Organize Your Own Cooperative. Editorial. Dairy Farmer, Des Moines, Iowa, July, 1927, p. 16.
- Sapiro, Aaron. The Law of Co-operative Marketing Associations. Burley Tobacco Grower, Lexington, Ky., October, 1927, p. 12.
(Reprinted from Kentucky Law Journal.)
- Stewart, Charles I. David Lubin -- the Prophet of Agricultural Equality: Father of International Institute at Rome Devoted a Lifetime to Agrarian Ideals. Wheat Growers' Journal, Wichita, Kans., October 15, 1927, p. 10.

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